Autonomous Insurance Units

*205. SHRI PRAMOD MAHAJAN:†

SHRI VIREN J. SHAH:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a report published in the Observer of 15th July, 1993 under the heading "Call for autonomous insurance units" and state;

(b) whether there is any proposal under Government's consideration to restructure and split up LIC and GIC into separate autonomous units under the Company Law to achieve competitiveness and efficiency in their operations;

(c) if so, what are the details in this regard;

(d) whether Government also propose to encourage the private sector in insurance business in the context of economic reform measures;

(e) if so, what are the details in this regard;

(f) whether Government have reviewed the working of the LIC & GIC in providing prompt and efficient services to the policy holders; and

(g) if so, what are the details in this regard?

वित्त मंत्रालय में राज्य मंत्री और संदीय कार्य मंत्रालय में राज्य मंत्री (डा० अबरार अहमत): (क) जी, हां। यह रिपोर्ट "बंगाल नेशनल चैम्बर आफ कामर्स एंड इंडस्ट्री" द्वारा बीमा क्षेत्र में सुधारों पर समिति के सामने रखे गए सुझावों के संदर्भ में है।

(ख) से (छ) : समिति इन मामलों को समझती है। यह सुझाव भी देगी जो जीवन बीमा निगम तथा साधारण बीमा निगम के बदलते हुए आर्थिक परिवेश में उनके कार्य प्रचालनों को सुधारने में सहायता करेंगे। इसके अतिरिक्त, यह बीमा उद्योग की संरचना में तथा नीति के सामान्य ढांचे में परिवर्तनों के लिए सिफारिशें भी करेंगी जो वित्तीय व्यवस्था के अन्य भागों में तथा अर्थव्यवस्था में इस समय चल रहे संरचनात्मक परिवर्तनों को ध्यान में रखते हुए उपयुक्त समझे जाएंगे।

श्री प्रमोद महाजन : सभापति जी, जो समाचार के आधार पर उत्तर मिला है, उस सम्बन्ध में मैं मंत्री महोदय से यह पूछना चाहूंगा कि क्या जीवन बीमा निगम और साधारण जीवन बीमा निगम, इन दोनों को अलग-अलग करने का कोई सुझाव और इस पर समिति की राय क्या मांगी गई है और अगर इन दो निगमों को अलग करने का सुझाव है, तो क्या वह समिति की सिफारिशों की कार्य-कक्षा में आता है और यदि है, तो समिति इस पर कब तक विचार करके निर्णय देने वाली है?

डा० अबरार अहमद : माननीय सभापति महोदय, माननीय सदस्य ने जो बात पूछी है, इस संबंध में मैं बताना चाहूंगा कि अक्तूबर, 1993 तक इस समिति से रिपोर्ट अपेक्षित है और जहां तक जी० आई० सी० और एल० आई० सी० को अलग-अलग करने के बारे में बात है या इस संबंध में कोई सुधारात्मक उपाय सुझाने के बारे में बात है, तो इसकी टर्म्स आफ रिफेंस काफी ब्रोड है। वह इन बीमा कम्पनियों के बारे में जो भी सही समझे, जो भी सुधारात्मक उपाय चाहे और जिस भी तरह से इसके कार्यकलाप अच्छे चल सकें, उस संबंध में अपने सुझाव दे सकती है और सुझाव आने के

†The Question was actually asked on the floor of the House by Shri Pramod Mahajan.

बाद ही सरकार उसमें क्या निर्णय लेगी या उसको किस प्रकार से क्रियान्वित करेगी, इस बारे में विचार किया जाएगा ।

श्री प्रमोद महाजन : सभापति जी, क्या इस समिति को बीमा क्षेत्र में विदेशी कम्पनियों के आने पर विचार करने के लिए कहा गया है और क्या सरकार ने यह कार्य-कक्षा देने से पहले, क्योंकि साधारण बीमा निगम और जीवन बीमा निगम को अलग करना अपने आपमें अलग बात है, इनके कार्य-कलापों में सुधार लाने के लिए कुछ सुधार करना यह अलग बात है। लेकिन उसके साथ-साथ अगर विदेशी बीमा कम्पनियों को इस देश में काम करने की अनुमति देने का निर्णय होता है तो अपने आप में वह एक बहुत बड़ा निर्णय होगा जिसका जीवन के सारे क्षेत्र में प्रभाव होने की संभावना है। तो इस दृष्टि से क्या इस समिति की कार्य-कक्षा में विदेशी कम्पनियों को भी यहां बीमा का कार्य करने के लिए नियंत्रण देने का प्रावधान है और यदि ऐसा है और यदि समिति इसके संबंध में हां कहती है तो क्या सरकार ने विदेशी कम्पनियों को यहां काम करने के लिए, क्योंकि बंगाल की जिस सबर पर यह प्रश्न है उसमें उन्होंने यह भी मांग की है कि जो विदेशी कम्पनियां हैं उनको इस देश में काम करने की अनुमति दी जाए और अगर इस कार्यक्षेत्र में है और अगर विदेशी बीमा कम्पनियां कल से इस देश में काम करना शुरू कर दें तथा इस प्रकार की स्थिति होगी तो क्या सरकार ने इस पर गंभीरता से सोचा है? इसके संबंध में सरकार की क्या प्रतिक्रिया है?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Chairman, Sir, I have the terms of reference of the Committee and I can read them out:

(i) To examine the structure of the insurance industry as it has evolved within the existing framework and to assess its strength and weaknesses in terms of the objectives of creating an efficient and viable insurance industry. Providing a wide reach of insurance services and a variety of insurance products with a high quality of service to the public and serving as an effective instrument for mobilisation of financial resources for development.

(ii) To make recommendations for changes in the structure of the insurance industry as well as the general framework of policy as may be appropriate for the pursuit of the above objectives keeping in mind the structural changes currently under way in other parts of the financial system and in their policies.

(iii) To make specific suggestions regarding LIC and GIC which would help to improve the functioning of these organisations in the changing economic environment.

(iv) To review the present structure of regulation and supervision of the insurance sector and to make recommendations for strengthening and modernising the regulatory system in tune with changing reforms.

(v) To review and make recommendations on the role and functioning of surveyors, intermediaries and other ancillaries of the insurance sectors.

(vi) To make recommendations on such other matters as the Committee considers relevant for the health and long-term development of the insurance sector or which are consequential to other recommendations made by the Committee including changes in the legislation wherever necessary.

The Committee's terms of reference are fairly broad and fairly general. And we do not have the report of the Committee. Therefore, it is an entirely hypothetical question as to what we would do if the Committee were to make any such recommendation. We would cross such bridge when we reach it.

SHRI ASHIS SEN: Sir, over the period since nationalisation, the LIC and GIC

have made tremendous strides in the matter of servicing the people by way of life insurance and general insurance. My information is that they have been giving enough profits and dividends to the exchequer. I would like to know whether in this background, any idea of bringing in foreign concerns or making reference to that in the terms of reference of the Committee will be suicidal to the interests of our indigenous insurance industry or not. This is my first question. My second supplementary which I want to put simultaneously is.....

MR. CHAIRMAN: It is the second part of your question.

SHRI ASHIS SEN: I would like to ask one thing more and that is whether in all matters, the opinion and views of the All India Insurance Employees' Association, both of LIC and GIC, will be taken into consideration because they are the people who have been working very hard to make the LIC and GIC business a most viable proposition in our country. And the services to the people are being given as quickly as possible. Today, if an LIC policy matures, the maturity value is given within a period of one month. If this be the case, will the Employees' Association's opinion and views be taken into consideration or not?

SHRI MANMOHAN SINGH: Mr. Chairman, Sir, I agree with the hon. Member that our insurance industry has made a phenomenal progress. But, I think, it is also to be recognised that there are shortcomings and that is why we have appointed this Committee. This Committee will, therefore, go into the progress that has taken place, review it and make such recommendations as may be necessary for further improvement of the insurance industry. As it is, the terms of reference of this Committee do not make any specific reference to the foreign companies. I do not have any proposal before me to bring foreign companies. Therefore, I do not know as to what answer I can give to the hon. Member. The second point that I do want to emphasise is that this Committee and also the Government will take into account the views expressed by all thinking segments of our country and that includes the insurance employees. And while the insurance industry in our country has made a phenomenal progress. I think, it has to be recognised that customer services are not as they ought to be. I have received a lot of representations, several even from the members of Parliament. This relates both to the LIC and the GIC. It is our duty, as Government, to look into these things to ensure that we have an insurance sector which is efficient, which is competitive and which serves the needs of our country.

SHRI S. VIDUTHALAI VIRUMBI: Mr. Chairman, Sir, when Super 301 is imposed, India would be forced to remove certain conditions which are prevailing now. One is, regarding joint ventures there should not be any export obligation; the second, is, joint venture companies are compelled to become totally Indian companies within a stipulated period. The multinationals have requested us to remove these two things. They charge that these are restrictions imposed on them. That is why they want that these two conditions should be removed. Besides, another thing which the U.S. as well as the World Bank have been demanding is that we must allow the foreign insurance companies to do business in the Indian sub-continent. These are the two things. One is, export obligation of joint ventures. The second is, indigenisation of joint ventures. These two things have been conveniently forgotten when the new industrial policy was drafted. They have been removed. There is also the third thing, as I pointed out. Therefore, hon. Members, naturally, have a suspicion about the entry of foreign companies in the insurance business in India. In that context, I would like to know from the hon. Minister whether he can give an assurance that he would not allow any foreign insurance company to enter the Indian sub-continent and start insurance business.

डा. अबरार अहमद : चेयरमैन साहब, इसके टर्म्स आफ रिफरेंस बहुत स्पष्ट हैं और विस्तृत हैं । माननीय सदस्यों को या किसी को भी इस प्रश्न के संबंध में और विदेशी बीमा कम्पनियों के बारे में जो कन्फ्यूजन हो रहा है उसका मुख्य कारण है आब्जर्वर में 15-7-93

को छपी न्यूज के सारांश के कारण है। जो कुछ भी इसमें छपा या जो कुछ इसमें लिखा है वह नेशनल चैम्बर्स आफ कामर्स का अपना सुझाव है । यह जो कमेटी बनाई गई है यह देश के कई हिस्सों में गई है और भी जगह जा रही है । हर स्तर से, हर समाज से, हर तबके से यह सुझाव ले रही है । हर व्यक्ति और हर तबके को यह अधिकार है कि वह अपना सुझाव दे, किस प्रकार का सुझाव दे, क्या दे यह उसके ऊपर निर्धारित करता है । समिति उन सब को सुनने के बाद अपनी टर्म्स आफ रिफरेंस के आधार पर रिकमेंडेशन देती है । यह उस पर निर्भर करता है। अगर बंगाल के नेशनल चैम्बर आफ कामर्स ने विदेशी कम्पनियों के बारे में सुझाव दिया है तो मैं माननीय सदस्य से आग्रह करूंगा कि यह नहीं समझना चाहिए कि वह सरकार की ओर से या समिति की ओर से कोई सुझाव है ।

SHRI S. VIDUTHALAI VIRUMBI: Sir, I seek your protection.

He has not replied to my question.

MR. CHAIRMAN: He has replied (*Interruptions*). He has said. The answer is, there is no proposal and, therefore, there is no assurance.

SHRI S. VIDUTHALAI VIRUMBI: Sir, I have asked a specific question. The Minister has not replied to it.

MR. CHAIRMAN: The Minister has answered.

SHRI MANMOHAN SINGH: Mr. Chairman, Sir, this is a hypothetical question. I cannot anticipate the recommendations of the Committee. When the recommendations are before the Government, the Government would consider them and then they would come before the House. That would be the proper occasion. I cannot anticipate what the Committee is going to say.

श्री चतुरानन मिश्र : सभापति महोदय, अगर हम यह पूछें कि कमेटी क्या कहेगी तब तो हाइपोथेटीकल होगा । जब यह सवाल दरपेश है कि विदेशी कम्पनी जीवन बीमा या जनरल इंश्योरेंस में आना चाहती है, अमेरिका वाले भी कहते हैं और यह डंकल प्रोपोजल में भी है, थ्रेटनिंग हम को देते हैं तो इसलिए हाइपोथेटीकल नहीं है । मंत्री महोदय जरा स्पष्ट करें कि क्या सरकार ने इस पहलू की कभी जांच की है कि अगर विदेशी कम्पनी आये तो हमारे इंश्योरेंस के बिजनैस पर क्या असर पडेगा? यह कभी आपने जांच की है या नहीं ? अगर जांच की है तो आपका क्या दृष्टिकोण है यह साफ कीजिए । कल आपने कुइट इंडिया डे मनाया और आज कहते हैं इन-इंडिया तो यह गड़बड़ हो जाता है । इसको जरा स्पष्ट कर दीजिए ।

SHRI MANMOHAN SINGH: Mr. Chairman, Sir, as of now, the Government is not considering any proposal with regard to bringing foreign insurance companies into our country. I would also like to point out here that I have been discussing with our insurance companies the problems that they face and how internationally competitive they are. I must confess that I was very pleasantly surprised that our insurance industry people feel confident that they can stand on their own feet and that if they are to compete with the rest of the world, they would be, in course of time, prepared for that. But I would say again that Government has under consideration no proposal to bring in any foreign company.

SHRI CHATURANAN MISHRA: 'As of now' means what? I would like to know.

SHRI MENTAY PADMANABHAM: As of today.

MR. CHAIRMAN: The Minister has answered the question.

SHRI CHATURANAN MISHRA: He should give us some indication.

What does he mean when he says 'as of now' (*Interruptions*).

SHRI N. E. BALARAM: 'Now' means today.

SHRI ASHIS SEN: It is inherent in the reply that Government has an idea of inviting foreign companies.

SHRI CHATURANAN MISHRA: Sir, you should ask the Minister to clarify it. You should protect us.

MR. CHAIRMAN: The Minister has said that Government is not considering that now.

SHRI CHATURANAN MISHRA: 'Now' means what? The Session is going on now. Will he do it in the evening? He should tell us what he means by it. He should tell us whether they are considering or they are not considering.

SHRI MANMOHAN SINGH: Sir, I have said that we have no proposal under consideration right now.

SHRI INDER KUMAR GUJRAL: Mr. Chairman, Sir, I welcome the idea of a committee. I think the reply which the hon. Minister has given to the hon. Member, adds to our anxiety. It doesn't soothe us. The fact of the matter is that the Dunkel proposals are under the consideration of the Government. The Dunkel proposals have a suggestion on insurance also. When the hon. Minister says that he doesn't have any proposal before him, should I conclude from his reply that he has taken a decision that despite what Mr. Dunkel might have said, he will not allow any insurance company to come in.

SHRI MANMOHAN SINGH: Mr. Chairman, Sir, the Dunkel proposals are being discussed as a part of the multilateral trade negotiations. They seek to lay down a broad framework for the conduct of international trade services. There is an agreement among the Group of Seven that they would try to reach an agreement by the end of December. We do not know as to what the final shape of the agreement will be. Therefore, it will be premature for me to say at this stage as to what we will do after the GATT round is brought to a successful conclusion.

SHRI JAGESH DESAI: What is our stand?

SHRI INDER KUMAR GUJRAL: This is a passive attitude as if Dunkel discussions are taking place in a world with which we are not concerned. Our vital national interests are involved. Does the GATT confine itself to the trade matters? But this is not so now. They are transcending that and entering into service sector and talking about it. Therefore, it is a matter of concern for this House and I am sure the hon. Minister is also equally concerned about the future of the insurance, banking industry and all other services. Therefore, we are very much concerned about it. There is a disquieting situation in the country. The hon. Minister should give us at least some assurance so that we feel assured that our interests are safeguarded.

SHRI MANMOHAN SINGH: Mr. Chairman, Sir, all I can say is that our interests will be effectively safeguarded.

श्री त्रिलोकी नाथ चतुर्वेदी : सभापति महोदय, वित्त मंत्री महोदय ने बहुत ही विस्तार के साथ टर्म आफ रेफरेन्स जो कमेटी की है उनको बताया है और साथ साथ यह भी कहा कि बहुत से एम. पीज. इत्यादि भी उनको लिखते रहते है और वे चाहते हैं कि दोनों इंशोरेन्स के युनिट्स या हमारे जो कारपोरेशन्स हैं वे प्रभावी और क्षमता रखते हुए काम कर सकें। इस संदर्भ में मैं यह जानना चाहता हूं कि श्रीमती गांधी द्वारा एक एडमिनिस्ट्रेटिव रिफार्म कमीशन स्थापित किया गया था और उसकी स्टेडी टीम ने पूरे एडमिनिस्ट्रेटिव रिफार्म के संबंध में सुझाव दिये हैं और साथ साथ समय समय पर एस्टिमेट कमेटी और पब्लिक एकाउन्ट कमेटी दोनों ने

दोनों युनिट्स के बारे में अपने सुझाव दिये हुए हैं, उनके ऊपर कोई कार्यवाही न करते हुए, उनकी अवहेलना करते हुए क्या नई विशेष परिस्थितियां पैदा हो गई जिनके कारण अब नई कमेटी की स्थापना की गई है?

SHRI MANMOHAN SINGH: Mr. Chairman, Sir, apart from the Administrative Reforms Commission, there were several other committees. Early in the 1980's, there was a Committee under Mr. Era Sezhiyan which went into the structure of the Life Insurance Corporation, which recommended—if I remember correctly—a splitting of the Life Insurance Corporation. Well, Government did not accept those recommendations. But certain additional powers were given. Power was given to the Zonal Offices by way of decentralisation. Since then a lot of other developments have taken place. The whole financial system of our country is faced with new challenges. The banking system, the capital markets and the insurance industry are the three major players of the financial system. I think in the light of the challenges that have taken place all over the world in the technology of work, in market practices, it is essential to ensure that India's financial sector including banking and insurance is brought up to date so that it can become fully competitive. That was the reason why this committee was appointed.

SIDBI Proposal to set up rural Industries in Gujarat

*206. SHRI GOPALSINH G. SOLANKI:

SHRI ANANTRAY DEVSHANKER DAVE†:

Will the Minister of FINANCE be pleased to state:

(a) whether the Small-Scale Industries Development Bank of India has formulated any project to set up rural industries in Gujarat State; and

(b) if so, what are the details thereof, district-wise?

†The Question was actually asked on the floor of the House by Shri Anantray Devshanker Dave.

वित्त मंत्रालय में राज्य मंत्री और संसदीय कार्य मंत्रालय में राज्यमंत्री (डा० अबरार अहमद): (क) और (ख) एक विवरण सभी पटल पर रख दिया गया है।

विवरण

गुजरात में ग्रामीण उद्योगों की स्थापना के लिए भारतीय लघु उद्योग बैंक के प्रस्ताव

(क) और (ख): भारतीय लघु उद्योग विकास बैंक (सिडबी) ने सूचित किया है कि वह गुजरात सहित सभी राज्यों और संघ राज्य क्षेत्रों में अपनी पुनर्वित्त योजना के अन्तर्गत अति लघु और लघु उद्योग क्षेत्र के एककों को सहायता उपलब्ध कराता है। सिडबी ने पिछले 3 वर्षों के अपने परिचालन के दौरान गुजरात में लघु उद्योगों को कुल 1168.11 करोड रुपए की सहायता मंजूर की है। इस सहायता से राज्य के ग्रामीण और जनजातीय क्षेत्रों में रोजगार की सुविधाएं उत्पन्न हुई हैं।

सिडबी ने गुजरात में कई उन्नयनकारी कार्यकलाप भी शुरू किए है जैसे (i) ग्रामीण उद्यमवृत्ति वित्त कार्यक्रम, (ii) ऋण आवश्यकताओं के मूल्यांकन के लिए ग्रामीण महिलाओं के प्रशिक्षण हेतु प्रशिक्षण केन्द्रों की स्तापना के लिए सहायता, (iii) कच्छ क्षेत्र में पहचान किए गए नमक और नमक पर आधारित उद्योगों के तकनीकी उन्नयन हेतु विशेष कार्यक्रम, (IV) ग्रामीण क्षेत्रों की महिलाओं के लिए उद्यमवृत्ति विकास कार्यक्रम और (V) ग्रामीण क्षेत्रों सहित अन्य गैर-तकनीकी स्नातकों के लिए लघु उद्योगों हेतु प्रबंध सहायता विकास कार्यक्रम।

श्री अनन्तराय देवशंकर दवे: सभापति महोदय, मैं माननीय मंत्री जी से यह